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 (FORM UPDATED: 08/11/2010)

WISCONSIN STATE LEGISLATURE ... PUBLIC HEARING - COMMITTEE RECORDS

2003-04

(session year)

Assembly

(Assembly, Senate or Joint)

Committee on Agriculture...

COMMITTEE NOTICES ...

- Committee Reports ... **CR**
- Executive Sessions ... **ES**
- Public Hearings ... **PH**

INFORMATION COLLECTED BY COMMITTEE FOR AND AGAINST PROPOSAL

- Appointments ... **Appt** (w/Record of Comm. Proceedings)
- Clearinghouse Rules ... **CRule** (w/Record of Comm. Proceedings)
- Hearing Records ... bills and resolutions (w/Record of Comm. Proceedings)
 - (**ab** = Assembly Bill) (**ar** = Assembly Resolution) (**ajr** = Assembly Joint Resolution)
 - (**sb** = Senate Bill) (**sr** = Senate Resolution) (**sjr** = Senate Joint Resolution)
- Miscellaneous ... **Misc**

Record of Committee Proceedings

Committee on Agriculture

Assembly Bill 430

Relating to: authorizing the payment of different prices to milk producers based on specified criteria.

By Representatives Ward, Ott, Albers, Bies, Freese, Gard, Gronemus, Grothman, Gunderson, Hahn, Hines, Hundertmark, Kestell, M. Lehman, Montgomery, Musser, Nass, Olsen, Towns, Van Roy, Weber and Petrowski; cosponsored by Senators S. Fitzgerald, Schultz, Kedzie, A. Lasee and Roessler.

July 07, 2003 Referred to Committee on Agriculture.

July 24, 2003 **PUBLIC HEARING HELD**

Present: (12) Representatives Ott, Ainsworth, Petrowski, Kestell, Suder, Hines, Loeffelholz, Towns, Gronemus, Balow, Vruwink and Hebl.

Absent: (3) Representatives M. Williams, Plouff and Steinbrink.

Appearances For

- Representative David Ward
- John Umhoefer, WI Cheesemakers Association, Madison

Appearances Against

- Richard Keller, Wisconsin Farmers Union, Mt. Horeb

Appearances for Information Only


- Prof. Bruce Jones, Madison
- George Kowieski, DATCP
- Eric Hanson, DATCP, Madison

Registrations For

- State Senator Dale Schultz, 17th Senate District
- Ron Statz, NFO, Prairie du Sac
- Paul Zimmerman, WI Farm Bureau Federation, Madison

Registrations Against

- None.


Beata Kalies
Committee Clerk



Kalies, Beata

From: Ward, Dave
Sent: Monday, June 16, 2003 1:35 PM
To: *Legislative Senate Democrats; *Legislative Senate Republicans; *Legislative Assembly Democrats; *Legislative Assembly Republicans
Subject: MINOR CORRECTION HIGHLIGHTED: Co-sponsorship/Ward/LRB 1864/Milk Premiums/Deadline 6/30/03

TO: All Legislators

FROM: State Representative David Ward

DATE: June 16, 2003

RE: Co-Sponsorship of LRB 1864/1, relating to authorizing the payment of different prices to milk producers based on specific criteria.

DEADLINE: Monday, June 30, 2003

Current law states that milk buyers cannot discriminate between producers (farmers) in the price paid for milk. However, in the past few years, due to a case between Dean Foods and the Wisconsin Department of Agriculture, Trade and Consumer Protection, it has been ruled that this law does not extend over state lines. As a result of the ruling in favor of Dean Foods, out-of-state companies may offer large volume premiums for milk hauled to other states. While any out-of-state milk buyer does not have to comply with Wisconsin state law, Wisconsin milk buyers (purchaser) are bound by the law.

In an effort to address this issue, this legislation would state that Wisconsin milk buyers must create and announce any payment plan to all of their producers and then faithfully execute that payment plan for their producers. This also provides a competition mechanism to enable our milk buyers to compete against out-of-state buyers. If an out-of-state entity provides a higher price for the milk than their current Wisconsin purchaser, this allows the Wisconsin purchaser the option to counter-offer by allowing it (the purchaser) to readjust their premium chart, if they choose. If the Wisconsin purchaser chooses to readjust their chart, it would have to pay the same premium to all of its other farmers who shipped the same volume of milk. The legislation empowers milk buyers with the ability to set up their own payment ideas, while at the same time giving competitors an opportunity to react, and also assures dairy producers that each buyer will stick to their payment plan. Producers can then select the milk buyer that best suits their farm business.

This bill was initially introduced as Assembly Bill 483 in the 1999-2000 Legislative Session. It was voted out of the Assembly Committee on Agriculture, 14-0 and out of the full Assembly, 96-2. I offered this legislation again last session as Assembly Bill 44; it passed out of the Assembly Committee on Agriculture, 13-3 and by the full Assembly, 83-16. A public hearing was held in the Senate but the bill was not scheduled for executive action prior to the end of the legislative session.

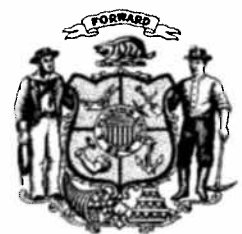
What better way to celebrate June Dairy Month than by co-sponsoring this legislation? An attachment containing the bill can be found below. If you wish to become a co-sponsor, please respond to this e-mail or contact my office at 6-3790, by **Monday, June 30th, 2003**.



03-18641.pdf



WISCONSIN STATE LEGISLATURE



**STATEMENT of
RICHARD KELLER, DIRECTOR
WISCONSIN FARMERS UNION**

**On behalf of the
WISCONSIN FARMERS UNION**

**Presented to the
ASSEMBLY AGRICULTURE COMMITTEE
MILK PRICING**

July 24, 2003

MADISON, WI

Statement of Richard Keller, Member of the Board of Directors of the

**WISCONSIN FARMERS UNION
117 West Spring St.
Chippewa Falls, WI 54729**

NEWS RELEASE

**For Immediate Release:
July 24, 2003**

**For More Information Contact:
Sue Beitlich, 608 769-7625**

hilcrest@mwat.net

OR

Kathleen Vinehout, 608 685-3508

WISCONSIN FARMERS UNION CHALLENGES MILK PRICING BILL

MADISON, WI -- Wisconsin Farmers Union Director Richard Keller testified before the Assembly Agriculture Committee today opposing Assembly Bill 430. Keller, speaking on behalf of Wisconsin Farmers Union members told the committee, "This bill would allow discrimination on any grounds in the pricing of milk. It allows a multi-tiered system for paying for milk with the discrimination limited only by the imagination of the processors. The bill has the potential of introducing volume premiums and creating friction between large and small producers."

"The current law does allow discrimination but requires that the discrimination reflect real economic costs to the processor. The requirement for any economic justification is removed in this legislation."

Keller further testified that "Wisconsin Farmers Union believes that this bill changes the direction of the current law. The law now says that processors can discriminate in several narrow areas. The new law would allow any discrimination as long as the criteria for discrimination were announced. "

Keller said "Wisconsin dairy farmers are experiencing twenty five year low milk prices. This has created great stress and financial uncertainty for many Wisconsin dairy farmers." Farmers Union urged the committee to consider ways to support Wisconsin dairy farmers of all sizes.

Wisconsin Farmers Union, a member-driven farm organization, is committed to enhancing the quality of life for family farmers, rural communities and all citizens through educational opportunities, cooperative endeavors and civic engagement.

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Wisconsin Farmers Union, on behalf of the members of the Wisconsin Farmers Union, presented to the Wisconsin Assembly Agriculture Committee on July 24, 2003 at the State Capitol, Room 417N, Madison, Wisconsin.

Thank you Chairman Ott for holding this hearing and for allowing this testimony.

My name is Richard Keller. I own and operate a 162-acre farm in Dane County. I come before you today as a retired dairy producer and as a member of the Wisconsin Farmers Union Board of Directors. Our President, Sue Beitlich, would like to have testified today as well but due to a scheduling conflict is unable to attend. She has asked that I speak on behalf of Wisconsin Farmers Union members.

Wisconsin Farmers Union is opposed to Assembly Bill 430. As written, this bill would allow discrimination on any grounds in the pricing of milk. It allows a multi-tiered system for paying for milk with the discrimination limited only by the imagination of the processors. The bill has the potential of introducing volume premiums and creating friction between large and small producers.

The current law does allow discrimination but requires that the discrimination reflect real economic costs to the processor. The requirement for any economic justification is removed in this legislation.

We believe that this bill changes the direction of the current law. The law now says that processors can discriminate in several narrow areas. The new law would allow any discrimination as long as the criteria for discrimination were announced.

We appreciate the committee's interest in milk pricing. All Wisconsin dairy farmers are experiencing twenty five year low milk prices. This has created great stress and financial uncertainty for many Wisconsin dairy farmers. We urge the committee to consider ways to support Wisconsin dairy farmers of all sizes.

Thank you for the opportunity to express our concerns.



re:

AB 430

STATE OF WISCONSIN

To _____

Date 7/8 message Time _____

WHILE YOU WERE OUT

M John Manske

of _____

Phone _____

Telephoned		Please Call	
Called to See You		Rush	
Returned Your Call		Will Call Again	

Message _____

WPC has no position now
* let him know when ready
will be ..



Party Receiving Call

Plan - current condition:

- farmer ships the same amount of milk to the same plant - set different price

but - even premium program would be based on certain criteria - each producer meeting that premium get paid the same

- future premium may be easier to start if this bill gets the stage.

Bill helps allows Dairies to help ~~the~~ bill farmers understand the price system, a rule Dairies can enforce

- helps all farmers - farmer can choose which plant best meets their needs

Criticism - "done in secret" not - 6th public hearing on the issue

possible amendment.

- contracting milk is now a bigger issue we do not want to bill to want that...

on posting of schedules? each plant has different notice at plant, in town

AB 430 7/24/53

Towns:

Shipping out of state - how
much will go over?

Not sure.

Ketell:

Still can't negotiate
out of state milk?

-Byrd-

WI producers would
have the ability to
send to in state &
out of state company
compete for his business.

What if WI company does
not have the enough
to compete like that it
have to pay some price to
all farmers - unfortunate.

AB 430 11/24/53

Issue:

Market phenomenon
premium based on
plant volume.

WI "defensive mode" when
it comes to buying
can't be proactive -
attract milk from
other states

Concern to producers
no longer producers
at expense to ~~producers~~
be respectfully disagree
= Shift in demand &
ultimately leaves
up the price
for all due to
competition

AB 430 7/24/03

- People react to threats
- See as pulling together

- ^{can} pressure ultimately
put more money in
farmer pockets

- cooperative seem to be in tune to the
pressure rather than the
farmer -

- there is nothing to tell
of farmer not to pull together
at current law. But
pressure will be paid to
costs will be higher for plants

~~AB 430~~
L

AB 430 7/24/03

Richard Keller

Against Bill
Flower
union
discrimination on
any grounds in
paying of milk.

Changes law of current
law that discriminates
in certain categories -

Bobby - improve the language
of the bill that the
doesn't like -

"improve board of crops
responsibility to farmers"

→

1000 12/1/03

MS 430 11/24/03

Datyp -

~~XXXXXXXXXX~~

want to make ~~the~~
meeting "competitive" -
provide how it
going to be applied
from by farm semi or

meet it for everybody
state wide

(Chen) -> intent is to raise
aware for everybody
negotiation of location
for the same criteria

asked to put testimony in
writing ->

will Datyp support the bill
if changes are made...

Kester - aware that in

light of losing farm and
low milk price, Dept 1)
house? house?

- beg Dept for leadership
+ support of this bill.

Eric Hansen

when changes are made, Dept
would support it

the decision to support or
not support was made
by whom? I see it
decision here?

wants to
Cante. send message to Dept
to deal with this...
not a partisan issue